

PUBLIC AFFAIRS STAFF

Deputy Director Frank Carlucci

Address and Q&A

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DEPUTY DIRECTOR FRANK CARLUCCI: ...Now the demand is increasingly for regional analysis. There are very few problems, as you look around the world, that relate to one country alone. An integrated analysis. We found that we can't divorce political developments from economic developments, or, indeed, from social developments. This is one of the big lessons of Iran. So analysis has gotten much more sophisticated.

At the same time, there are new areas which intrude on our intelligence capability: the question of treaty monitoring. We're all focusing on SALT these days. There are some nine treaties under negotiation which will require careful monitoring if we are to be certain that the other contractual party abides by the strictures of the treaty. Or non-proliferation, an issue of extreme importance to our country and to the world. And there are countries which are trying to develop a nuclear bomb capability in a covert way.

The narcotics problem. The best way to deal with a narcotics problem is to prevent it from reaching our shores. And that's very much an intelligence issue. Or terrorism. We're all concerned about terrorism. Fortunately, it hasn't hit the United States as much as it has hit other countries. But our people overseas are susceptible to it. And I can say unequivocally that our intelligence has saved the lives of some of our people overseas, including the lives of ambassadors.

So all these require a new sophistication, both in analysis and in collection.

And you hear a lot these days about our impressive technical capability, our satellites and what have you. And indeed, they are impressive. Unfortunately, the more we talk about them, particularly as part of the SALT ratification pro-

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cess, the more defensive measures the Soviets can take. But the technical side of the business really can only tell you, if you're lucky, what is happening right now, or what happened a few hours ago, or a few days ago. It can't tell you plans and intentions. The only way that you can find that out is through what we call human intelligence, through good old espionage; spying, if you will.

And I'd like to take just a few minutes to try and describe to you what that's all about, because there have been a lot of distortions, ranging from the concept that we do nothing but intrude on the lives of Americans to the sort of 007 concept of intelligence. Sure, there are risks involved in what our people do. But by and large, it's a very painstaking and somewhat prosaic business. We try to establish a relationship with people who could not be reached through our normal diplomatic relations or through the activities of, say, our military attaches; people who are, for one reason or another, sensitive targets. And we go about that process much as many of you who are businessmen would go about establishing a business relationship. You try to spot who you think might be a productive asset; try to develop a relationship with him; and, if you do, you try and cement what is very similar to a business, contractual relationship, whereby that person performs a service for us; that is, provides us with information that we request. And sometimes in return, we will provide him with a salary. Now I say "sometimes" because, in most cases, you'll find that the principal motivation is ideological. There are other motives, of course. And frequently where financial remuneration is required, it's simply because of the risk that the individual takes. He wants some money put aside in case he has to flee his country, or establish a new life somewhere else.

Now there is one particularly important aspect to that contractual relationship that we want to establish. And that is confidentiality. Confidential contracts aren't new in our country, not new in the business world. They're particularly important, in fact they're absolutely essential, to the functioning of a good intelligence organization. Nobody is going to put their lives, their reputations, indeed, in some cases, their family's safety in your hands if they think they are going to be revealed. And revealing an intelligence source is a very simple business. You may see some innocuous sentence in a newspaper about what a particular communist party may be doing. But a good counterintelligence officer can take that one sentence and pinpoint the source very easily. If you gain a reputation of not being able to protect your sources and your methods, you might as well give up the intelligence.

Now unfortunately, this country is gaining the reputation around the world of being unable to keep a secret. And I say this to you in all candor. I get it everywhere I go. I've

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visited some 25 to 30 countries overseas since I've been in this job. There's a pervasive feeling that if they supply information to us, sooner or later it will get out and will be traced back to them.

And I think this is a very serious phenomenon. It has several aspects to it. It arises because of the frequent leaks in the U. S. government. And I dare say in twenty-some years of service in the U. S. government, I've never seen it leakier. We've seen one leak after another with regard to the SALT process. Whether it's for policy purposes or public relations purposes doesn't make any difference: the damage is done.

We are compelled, as an intelligence organization, to distribute our information far more widely than we should, both within the executive branch and in the Congress. Also, we've seen a recent phenomenon where some former members of the CIA take pen in hand and write a book. Now we believe that when somebody comes into an organization like the CIA, he should undertake a contractual obligation not to use the information, the sensitive information he incurred in the process of his employment, for financial gain in writing a book. We do not restrict former employees from writing books. But we do ask that we review these books for sensitive information. That was the issue in the case of Frank Snepp, recently brought to trial. And the question is not can he write a book or are we seeking censorship. The question is who ought to determine what is sensitive intelligence information? Every former employee or should it be the organization?

And fortunately, the courts have ruled so far that it should be the organization. And we intend to adhere and require our employees and ex-employees to adhere to the contracts that they have signed.

We also have some former employees, one of whom I would classify very candidly as a traitor, named Philip Agee, who worked for the CIA for several years and then has dedicated himself to writing exposes of our people; that is, exposing the names of our people overseas and doing it in such a tendentious way that they are clearly earmarked as targets. I remember he did one such expose when I was in Portugal. Not only did he give the names of the alleged CIA people, but he gave their addresses and said "When you get off the elevator, turn right, and it's third door down the corridor." Obviously we had to move families, and we've had one man assassinated in Athens. And this puts our people in real jeopardy.

Agee and his friends put out a bulletin called "Covert Action" right down in DuPont Circle in Washington. And we find that there's very little that we can do about it. There are

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some thirty laws in the U. S. government making it a criminal offense to give out such information as tax information, commodity futures, commercial information. But there is no such law with regard to national security information. The only laws under which we could prosecute is the antiquated 1917 Espionage Act, which obliges us to prove intent to harm the United States. And those of you who are lawyers here know how difficult that is to prove.

Not only do we have trouble in dealing with problems such as Philip Agee under our existing laws, but indeed I find that there are some laws that actually help them. One such law is the Freedom of Information Act. Now I support, and have supported in other agencies in which I've worked, the concept of freedom of information. I think the information in our agencies ought to be available to American citizens. But when it comes to an intelligence organization, it is almost a contradiction in terms. I think some of our information should be available, but not our most sensitive information leading back to sources and methods.

But under this statute, we've been required, for example, to devote four man years to providing information requested by Mr. Agee. We spend about \$2 1/2 million answering some 4,000 requests a year, some of them from children, some of them on form letters. Each request costs the taxpayer about \$800.00, much of which -- most of which comes out of this process is useless, except for particular individuals. We've had one person working full-time supplying information for one author. Indeed, we are obliged to provide information to foreigners who request it. The other day we had a request from the Polish Embassy under the Freedom of Information Act. If the KGB were to write us, we would be obliged by the law to respond in ten days.

I would respectfully suggest that this is a subject that needs intensive review by our legislators.

Or you may ask us "Well, that's well and good; you've told us your problems, but how about the abuses? What kind of checks and balances have you established?" And that's a fair question. My own view is that the abuses have been exaggerated. But that's neither here nor there. It's a public perception, and we have to deal with that perception. And I think it is desirable, highly desirable to have an adequate system of checks and balances on our intelligence community. And a lot of progress has taken place in that area. President Carter has issued an executive order laying down guidelines, standards for our intelligence community. And our executive order has the force of law as far as we're concerned. We've made some internal modifications, stepped up our inspection procedures, our audit procedures, our procedures for dissent. The President has established an Intelligence Oversight Board, consisting of three distinguished Americans: Tom

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Farmer, former Senator Albert Gore, former Governor Bill Scranton. Anybody in the intelligence community or anywhere in the country, anybody in this room, if they think there's an abuse being carried out by any of our intelligence agencies, can go to the board, in confidence, and the board reports only to the President and has full authority to investigate the abuse.

We also have very effective congressional oversight. Two select committees, a House and Senate committee, which have sizable staffs, can go into our affairs in great detail. And we welcome this oversight. We think it's been constructive. We don't always agree. But we respect the guidance we have from the Congress.

We think one more thing needs to be done. We would like to have charter legislation for the intelligence community. That is, legislation which establishes our authority and gives us guidelines on what our limitations ought to be, what kinds of activities we ought to be conducting and what kinds of activities the American people think we shouldn't engage in. We are now in an intensive dialogue with Congress on such legislation. And I'm hopeful that if we can't get it this session, we can make a good effort at it during the next session of Congress.

Before closing, let me mention one other subject which has been an intensely emotional subject when people talk about the Central Intelligence Agency. And that's the whole question of covert action. Covert action, stated simply, is the capability to influence events in another country without doing so publicly. And I think the need to do this kind of thing is evident. Usually the example that's cited is Chile. But there've been many other instances where this kind of activity has been carried out in a very constructive way, ways in which we have helped support democratic forces, pro-Western governments against very heavy activities by the enemies of the West and the enemies of democracy. But to blame the CIA for the abuses of covert action -- and I will concede the point that there have been abuses -- is about like blaming the U. S. Army for the invasion of the Dominican Republic or the Marines for the landing in Lebanon, if you don't like those events. But the fact is that the CIA does not develop policy. It's not a policy agency. It implements policy. And what you want to quarrel with is not the tool, but the policy.

But in reaction to covert action, we have established a procedure which virtually makes covert action a contradiction in terms. If this country wants to engage in a covert action, we have to have a presidential finding, and then we have to brief seven committees of Congress. That's approximately 140 congressmen, to say nothing of staffs. And any one of those people can leak the covert action, and then it is no longer a viable activity.

The Congress has decided, and the administration has

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decided, that the country ought to have the capability to carry out covert action. If we're going to have that capability, we need to devise better procedures to deal with getting the action underway.

I'm sometimes asked, all in all, how we're doing vis-a-vis our adversaries. Despite the problems that we face, my own judgment is that we're doing well. Sure, we don't put the resources into the intelligence business that the Soviets do. They have a lot more people around the world than we do. I happen to think that our people are better. We are certainly ahead of them on the technical side. Moreover, much of the success of the intelligence business is on the analytical side, and there I think we're clearly ahead, if for no other reason than we, as intelligence organizations, can encourage competition and dissent. And you don't find much competition and dissent in the Soviet Union. Indeed, their analysis has obviously got to be skewed for ideological reasons. Much of the intelligence business is bringing bad news. And we have no trouble bringing bad news to President Carter. But I would not like to be the bearer of ill-tidings in the Kremlin.

My own assessment is that both in terms of relevance and accuracy, we are a healthy organization. We have problems. We are going to need to deal with those problems if we are to stay healthy. And in dealing with these problems, we're going to need the continuing support of groups such as this.

Thank you very much.

[Applause; end of Side 1.]

CARLUCCI: I obviously can't go into the details of our monitoring capability. And it's not the function of the Central Intelligence Agency to determine whether the treaty is verifiable, because that entails political considerations, the question of how you would enforce it and the question of our own response capability.

So that question is better left to people like Secretary Vance and Secretary Brown.

We can address our monitoring capability. We have done that with the Congress. About all I can say in a public forum is that we have a very substantial monitoring capability. Nothing is ever fool-proof. But we have a far-flung and very good network. I think the Congress was favorably impressed, but it is up to them to make the judgment on whether that capability, coupled with the political considerations, is what they would judge to be an adequate verification capacity.

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Q: I want to know if anything is being done or can be done to obtain from Congress a modification of the Freedom of Information Act insofar as the CIA is concerned? That seems to me to be a very odious situation insofar as your organization is concerned.

CARLUCCI: It's one of our highest priorities, that and legislation that would enable us to deal with the Philip Agee kind of problem. And I have testified on the Hill on this and received a sympathetic hearing. I've testified before the Select Committee. I've been invited to testify before the Government Operations Committee. The Justice Department, I think, is going to support us in our efforts. We're attempting right now to get an administration position on the issue.

So I think we're beginning to develop some support for change. As you can appreciate, it's an intensely emotional issue on the Hill. I would expect change to come immediately. We're not asking for massive changes of the thing. But I would hope that if not this session, next session we could get some changes of the statute.

Q: Have you been able to fill the intelligence gap that the papers said existed when the Shah or Iran situation occurred to your satisfaction?

CARLUCCI: Well, first of all, let me say that I think the press comments on the intelligence -- so-called intelligence gap there have been greatly exaggerated. It is true that we did not predict the dimensions of the upheaval in Iran. Indeed, I know of now intelligence service, including the Israelis, which did.

We did, though, accompany with some anticipation the steady erosion of the Shah's authority. We have, though, as a result of the Iran experience reassessed both our collection and analytical capability. We think that more attention needs to be paid to broad social movements, and we're trying to close that gap.

So in short, I think we could have done better. But that has been said. But I think we have profited by the lesson.

Yeah?

Q: Also the monitoring. I think several monitoring facilities had to be closed in Iran. Has that gap been filled?

CARLUCCI: I'm not really at liberty to discuss that in any detail. The answer is, no, not yet, but we're working on it.

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Q: A related question, sir. With the lessons learned from Iran, can you discuss how they are used in Afghanistan?

CARLUCCI: I don't think it would be appropriate for me to talk about any particular country. One of the things that we're doing is working in closer cooperation with the State Department, political reporting officers, economic reporting officers overseas, with our military attaches overseas. We're trying to focus their collection efforts more directly than they've been focused in the past. And I think we're making good progress.

Q: [Inaudible.]

CARLUCCI: Well, if we're referring to the same program, if my memory serves me correctly, the event on which that program focused took place some 15 to 20 years ago. Maybe you're more familiar with it. It really falls in the category of ancient history. But there has been a statute passed which pertains to really HEW on limiting experimentation, which lays out standards for human experimentation. And while it's principally directed at HEW, it also applies to us. And the kind of things that were done under the joint experimentation program could no longer be done.

In addition, I think we've established the kind of controls in the CIA to prevent anyone from going off and doing that kind of thing on their own.

So I think we've corrected the insufficiency.

CHAIR: Any other questions? Well, Frank, thank you very much for your very informative talk. And we certainly want to wish you an awful lot of luck in heading up the CIA.